

1 provisions under the CAAA of 1990, provide maximum
2 flexibility for designated sources that reduce emissions, and
3 that takes into account the findings of the national ozone
4 transport assessment, existing air quality conditions, and
5 resultant emissions levels necessary to achieve or maintain
6 attainment.

7 (c) The Agency may develop proposed rules for a
8 market-based emissions reduction, banking, and trading system
9 that will enable stationary sources to implement
10 cost-effective, compliance options. In developing such a
11 market system, the Agency may take into consideration a
12 suitable ozone control season and related reconciliation
13 period, seasonal allotments of actual emissions and
14 adjustments thereto, phased participation by size of source,
15 suitable emissions and compliance monitoring provisions, an
16 annual allotment set-aside for market assurance, and suitable
17 means for the market system to be provided for in an
18 appropriate State implementation plan. The proposal shall be
19 filed with the Board and shall be subject to the rulemaking
20 provisions of Sections 27 and 28 of this Act. The rules
21 adopted by the Board shall include provisions that:

22 (1) Assure that compliance with the required
23 emissions reductions under the market system shall be, at
24 a minimum, as cost-effective as the traditional
25 regulatory control requirements in the State of Illinois.

26 (2) Assure that emissions reductions under the
27 market system will not be mandated unless it is necessary
28 for the attainment and maintenance of the National
29 Ambient Air Quality Standard for ozone in the Chicago
30 nonattainment area, as required of this State by
31 applicable federal law or regulation.

32 (3) Assure that sources subject to the program will
33 not be required to reduce emissions to an extent that
34 exceeds their proportionate share of the total emission

1 reductions required of all emission sources, including
2 mobile and area sources, to attain and maintain the
3 National Ambient Air Quality Standard for ozone in the
4 Chicago nonattainment area.

5 (4) Assure that credit is given or exclusion is
6 granted for those emission units which have reduced
7 emissions, either voluntarily or through the application
8 of maximum available control technology or national
9 emissions standards for hazardous air pollutants, such
10 that those reductions would be counted as if they had
11 occurred after the initiation of the program. Emission
12 reductions resulting from any supplemental environmental
13 project imposed in any judicial consent order to reduce
14 the stipulated penalty amount imposed by the order may
15 not be used to determine baseline emissions for a bakery
16 facility (Standard Industrial Classification 2051),
17 provided the consent order was imposed after January 1,
18 1994, but prior to January 1, 2000.

19 (5) Assure that unusual or abnormal operational
20 patterns can be accounted for in the determination of any
21 source's baseline from which reductions would be made.

22 (6) Assure that relative economic impact and
23 technical feasibility of emissions reductions under the
24 banking and trading program, as compared to other
25 alternatives, is considered.

26 (7) Assure that the feasibility of measuring and
27 quantifying emissions is considered in developing and
28 adopting the banking and trading program.

29 (d) Notwithstanding the other provisions of this Act,
30 any source or other authorized person that participates in an
31 emissions market system shall be eligible to exchange
32 allotment trading units with other sources provided that
33 established rules are followed.

34 (e) There is hereby created within the State Treasury an

1 interest-bearing special fund to be known as the Alternative
2 Compliance Market Account Fund, which shall be used and
3 administered by the Agency for the following public purposes:

4 (1) To accept and retain funds from persons who
5 purchase allotment trading units from the Agency pursuant
6 to regulatory provisions and payments of interest and
7 principal.

8 (2) To purchase services, equipment, or commodities
9 that help generate emissions reductions in or around the
10 ozone nonattainment area in Northeastern Illinois.

11 (Source: P.A. 89-173, eff. 7-19-95; 89-465, eff. 6-13-96.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law."